

HONIGMAN

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*Via Certified Mail
Via E-Mail*

February 22, 2007

Ms. Dianne Sharrow
U.S. EPA
Waste, Pesticides and Toxics Division
77 West Jackson Boulevard
Mail Code DE-9J
Chicago, IL 60604

**Re: Notice of Non-Compliance
Docket No. R7003-5-99-003**



Dear Ms. Sharrow:

This letter is in response to the February 7, 2007 Notice of Non-Compliance letter (the "Letter") sent by Lorna M. Jereza of the U.S. EPA to our client, DSC Ltd. ("DSC") with respect to the June 22, 1999 Administrative Order ("Order") issued by U.S. EPA (Docket No. R7003-5-99-003).

The Letter requires DSC to respond to allegations of non-compliance with the Order contained in the Letter and to provide information outlined in the Letter with respect to DSC's Gibraltar Facility. The remainder of this letter attempts to reply in full to the U.S. EPA's requirements.

As I understand that U.S. EPA has been advised and as has been known to the Michigan Department of Environmental Quality ("MDEQ") since 2006, the portion of the Gibraltar Facility commonly known as the "Cold Mill" property was sold by a court appointed receiver to Steel Rolling Holdings, LLC by court order dated June 30, 2006 in July, 2006. DSC has been under the belief that representatives of SRH had been in contact with U.S. EPA as well as the MDEQ since the acquisition of the Cold Mill by SRH. I was advised last week by Ms. Mary McAuliffe of the U.S. EPA that she has been in contact with an attorney representing SRH. Although such notice is not required by the Order, DSC regrets that more timely notice of the sale was not provided to the U.S. EPA by the MDEQ, the court-appointed receiver, the purchaser or any other party.

Please note that DSC's knowledge of the apparent impact to the great horned owl is based upon information provided to DSC by SRH's security guard. The security guard provided DSC with a report indicating that he had estimated that he first observed the owl at the property on a date later than the date indicated in the Letter, though the security guard was uncertain about the date of first observation. DSC was advised by the security guard's report that the owl was

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observed near the south end of the Cold Mill buildings, which is near the 80,000 gallon above ground tank and secondary containment area which contained excess oil from SRH's Cold Mill.

With respect to the specific allegations in the body of the Letter, please note the following:

1. DSC denies that it has violated the Order or the Continuing Emergency Measures Workplan (the "CEM Workplan") for the following reasons. First, as revealed in section 2.8 of numerous monthly reports submitted to EPA, DSC and its affiliate DCRC are financially distressed. DSC has no operating revenues and DCRC has been the subject of a court-appointed receiver for several years. Despite this lack of resources, DSC has arranged for the CEM Workplan to be implemented throughout this financially difficult period and has regularly submitted reports to the EPA, with, to our knowledge, no objection or inquiry from EPA.

Second, section 2.8 has not been updated for an extended period of time because the financial condition of DSC has not improved during that period of time. The recent sale of the Cold Mill by the court-appointed receiver to SRH did not generate any proceeds to DSC or its affiliates, so it did not affect the impediments to closure strategy discussion that has remained accurate throughout the reporting period.

2. DSC acknowledges that due to a change in personnel responsible for implementing the CEM Workplan, it recently discovered the wailer and is attempting to return it to operation as soon as possible.

3. DSC believes that the propane cannon was not operational on January 17, 2007 because it had been turned off commencing that day due to the formation of ice on the pond surface. See the enclosed DSC Ltd. Tandem Mill Pond Daily Wildlife Deterrence Inspection Log Sheet for the week beginning Monday, January 15, 2007. The company had encountered practical difficulties keeping the cannon operational during the weeks prior to that time, as disclosed to the EPA in section 2.2 of the monthly reports filed with letters to the EPA dated November 29, 2006, December 17, 2006 and January 20, 2007. DSC believes that it has resolved the cannon operational problems and anticipates turning the cannon back on as soon as there is not ice covering the surface of the Tandem Mill Pond.

DSC notes that it is not aware of any notification or expression of concern to DSC by the MDEQ inspector at the time of inspection of the allegation that the cannon was not operational. In the future, an immediate and direct notification by the inspector to the DSC representative would serve both to avoid any misunderstandings and to cause any unknown malfunctions to be resolved promptly.

4. DSC's outside contractor reports to DSC that it continued to skim the pond in November and December, 2006. Attached are waste oil disposal manifests dated November 28, 2006, November 29, 2006 and December 29, 2006 indicating the disposal of 4,676 gallons of oil

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skimmed from the tandem mill pond on those days. DSC acknowledges that its financial inability to complete the closure of the Tandem Mill Pond prior to this time has left oil-impacted soils at the site that it prefers to have been removed or capped by this time. As soon as adequate resources can be identified, DSC will undertake to cover or otherwise address any oil-impacted soils.

5. DSC's responses to the requests contained in Attachment 1 to the Letter are attached to this letter. Please note that since DSC has not had any employees since 2000, the employment longevity information reflects a combination of the years of employment with both DSC and Detroit Steel Company, L.C., which has employed relevant personnel since 2000.

Please contact me with any further questions.

Very truly yours,

HONIGMAN MILLER SCHWARTZ AND COHN LLP


Richard A. Barr

Enclosures

Attachment 1

Replies to Requests on Attachment 1 to February 7, 2007 Letter

Reply to Request 1

Matthew Zwack, Chief Financial Officer
1491 W. Jefferson Avenue
Trenton, MI 48183
Years of Employment: 8 years

Ralph Cresswell, Maintenance Supervisor
1491 W. Jefferson Avenue
Trenton, MI 48183
Years of Employment: 10 years

Rob Hunt, Controller
1491 W. Jefferson Avenue
Trenton, MI 48183
Years of Employment: 4 years

Robert Wright, Plant Services Manager
1491 W. Jefferson Avenue
Trenton, MI 48183
Years of Employment: 10 years

Thomas Konikowski, Wastewater Treatment Supervisor
1491 W. Jefferson Avenue
Trenton, MI 48183
Years of Employment: 1 year

Laura Keener, Project Manager
Environmental Specialists
286 West Brown St.
Birmingham, Michigan 48009

Reply to Request 2

As of June 22, 1999, DSC Ltd. ("DSC") owned all of the former McLouth Steel land in Trenton, Michigan generally described as the land located between W. Jefferson and the Trenton Channel of the Detroit River, from King Road on the south to the Monguagon Creek on the north. In addition, it owned 1 acre of land located west of W. Jefferson Avenue in Trenton and

several hundred acres of land located in Gibraltar, Michigan generally described as the Cold Rolling facility, the tandem mill pond and related wastewater treatment system, former fill area "1A" and vacant land to the south of the ponds and fill area and also south of Countywide Landfill. A map is available upon request.

Reply to Request 3

A. On or about May 31, 2000, DSC entered into a land lease (with option) and sale of buildings and equipment to Detroit Cold Rolling Company, L.C. ("DCRC") with respect to approximately 41 acres of land in Gibraltar and the building and personal property commonly known as the Cold Mill. DCRC's contact name and address is Michael Wilkinson, 1491 W. Jefferson Avenue, Trenton, Michigan 48183; telephone: 734-246-4002.

B. On or about May 31, 2000, DSC entered into a land lease (with option) and sale of buildings and equipment to Detroit Steel Company, L.L.C. ("Detroit Steel") with respect to approximately 200 acres of land in Trenton (the "Trenton Site") and the building and personal property commonly known as the former McLouth Steel Trenton facility. Detroit Steel's contact name and address is Michael Wilkinson, 1491 W. Jefferson Avenue, Trenton, Michigan 48183; telephone: 734-246-4002.

C. On or about July 10, 2007, on information and belief Management Services Realty, acting in its capacity as a court-appointed receiver, conveyed the assets described in Paragraph A above to Steel Rolling Holdings, LLC. ("SRH"). SRH's contact name and address is c/o Dennis Kayes, 100 Renaissance Center, 36th floor, Detroit, Michigan 48226; telephone: 313-393-7450.

D. On or about March 22, 2000, DSC sold approximately 76 acres of land located at the northerly portion of the Detroit Steel Trenton facility to Manuel J. Moroun. Mr. Moroun subsequently transferred the property to Crown Enterprises, Inc.. Crown Enterprises's contact name and address is Dick Bartscht, 12225 Stephens Road, Warren, Michigan 48089; telephone (810) 755-0696.

E. On or about June 28, 2002, DSC conveyed fee title in the Trenton Site to Trenton Land Holdings, LLC ("TLH"). TLH's contact name and address is Michael Wilkinson, 1491 W. Jefferson Avenue, Trenton, Michigan 48183; telephone: 734-246-4002.

F. On or about March 20, 2004, DSC sold approximately 0.67 acres of land and building located on the west side of Jefferson Ave. in Trenton to Daniel Abraham and William Labadie, 29920 Bayview Drive, Grosse Ile, MI 48138.

G. In 2003, DSC conveyed approximately 123 acres south of Countywide Landfill in Gibraltar, Michigan to Gibraltar Land Company, an affiliate of DSC. GLC's contact name and address is Michael Wilkinson, 1491 W. Jefferson Avenue, Trenton, Michigan 48183; telephone 734-246-4002.

Reply to Request 4

Detroit Steel Company, LLC Employees

Valerie Boyce
Ralph Cresswell
Claud Frazier
Tom Konikowski
John Lichy
Robert Wright
Matthew Zwack

Reply to Request 5

DSC does not store any oil or used oil in tanks or containers at the Gibraltar Facility. Any current storage of oil or used oil in tanks would be conducted by SRH.

Reply to Request 6

Two 560 gallon steel tanks are owned by DSC and located southeast of the environmental trailers. The tanks are used for gasoline and diesel fuel storage. The tanks were acquired in 2000 and both are in secondary containment.

Reply to Request 7

DSC does not believe that it has any inspection logs and other documents identified in request 7 for the Gibraltar Facility. As DSC no longer has a full-time environmental manager, it is possible that such logs or other documents are within the company's possession but unknown to DSC's representatives.

Reply to Request 8

None.

Reply to Request 9

Not to the best knowledge of DSC. DSC does not believe it is a used oil processor.

Reply to Request 10

Not to the best knowledge of DSC.

Reply to Request 11

Not to the best knowledge of DSC.

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Reply to Request 12

None.

Reply to Request 13

No; not applicable.

Reply to Request 14

Not to the best knowledge of DSC.

Reply to Request 15

No used oil shipments were accepted by DSC at the Gibraltar Facility.

Reply to Request 16

Not to the best knowledge of DSC.

Reply to Request 17

Not to the best knowledge of DSC.

Reply to Request 18

Not to the best knowledge of DSC.

Reply to Request 19

No tanks at the Gibraltar Facility were leased to another company by DSC. See reply A to request 3 above.

I certify under penalty of law that I have personally examined and am familiar with the information submitted in response to this information request. Based on my review of all relevant documents and my inquiry of those individuals immediately responsible for providing all relevant information and documents, I believe that the information submitted is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

February 21, 2007


Michael Wilkinson, Chairman of DSC Ltd.

DETROIT:2515213.3

WEEKLY OIL MANAGEMENT INSPECTION LOG SHEET

For The Week Beginning Monday 1-15-07

Inspection		Recoverable Oil Present		All Recoverable Oil Contained (Y or Location of Uncontained Oil) ²	Comments, Explanations and Response Action, Taken		Inspector (Initials)
Date	Time	Process Sewer Discharge (Y/N) ¹	TMP (N or Locations of Oil)				
1-15	8:10 AM	N	NE-CORNER	NE-CORNER			JL
	4:55 PM	↑	NE-CORNER	NE-CORNER			JL
1-16	8:15 AM		S-BANK	S-BANK			JL
	5:00 PM		SE-CORNER	SE-CORNER			JL
1-17	8:10 AM		ICE OVER POND	ICE OVER POND	↑	↑	JL
	5:00 PM		"	"			JL
1-18	8:30 AM		"	"			JL
	5:06 PM		"	"			JL
1-19	8:10 AM		"	"			JL
	4:55 PM		"	"			JL
1-20	8:40 AM		"	"			JL
	4:50 PM		"	"			JL
1-21	5:00 AM	↓	"	"			TK
	7:30 PM	N	"	"	↑	↑	JL

¹ A Yes (Y) entry notification of Plant Supervisor as soon as possible

² A "Location" entry (e.g. NE corner, E bank, center) requires notification of Plant Supervisor as soon as possible.

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

Form Approved. OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator ID Number W1234567890		2. Page 1 of		3. Emergency Response Phone 714-866-0000		4. Manifest Tracking Number 000164320 FLE	
		5. Generator's Name and Mailing Address LAWRENCE UNIVERSITY CHICAGO, IL 60607 Generator's Site Address (if different than mailing address) Generator's Phone: 6. Transporter 1 Company Name Midwest Transport Group, Inc. 7. Transporter 2 Company Name 8. Designated Facility Name and Site Address WASTE RECOVERY 77140 PRINCETON AVE., P.O. BOX 400 INKSTER, MI 48141 Facility's Phone: 9a. HM 9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any)) 1. Other Oil 10. Containers No. Type 11. Total Quantity 12. Unit WL/Vol. 13. Waste Codes 0211							
14. Special Handling Instructions and Additional Information Approval # 3752 SKIM OIL - TANDEM MILL POND IN CASE OF SPILL CONTACT 24 EMERGENCY NUMBER (313) 724-8600 6/77									
15. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.									
Generator's/Officer's Printed/Typed Name Signature Month Day Year 12/29/06									
16. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: Transporter signature (for exports only): Date leaving U.S.:									
17. Transporter Acknowledgment of Receipt of Materials Transporter 1 Printed/Typed Name Signature Month Day Year 12/29/06 Transporter 2 Printed/Typed Name Signature Month Day Year									
18. Discrepancy 18a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection Manifest Reference Number: 18b. Alternate Facility (or Generator) U.S. EPA ID Number Facility's Phone: 18c. Signature of Alternate Facility (or Generator) Month Day Year									
19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems) 1. 2. 3. 4.									
20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in item 18a Printed/Typed Name Signature Month Day Year									

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

Form Approved. OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator ID Number MID057002602	2. Page 1 of	3. Emergency Response Phone (313) 724-8600	4. Manifest Tracking Number 000165487 FLE
5. Generator's Name and Mailing Address 28000 River Road Gibraltar, MI 48134 Generator's Phone: (313) 724-8600		Generator's Site Address (if different than mailing address)			
6. Transporter 1 Company Name Midwest Transport Group LLC		313-724-8610		U.S. EPA ID Number MIK788363422	
7. Transporter 2 Company Name				U.S. EPA ID Number	
8. Designated Facility Name and Site Address ADVANCED RESOURCE RECOVERY 17140 PRINCETON AVE., P.O. BOX 390 ANKSTER, MI 48141 Facility's Phone: (313) 724-8600				U.S. EPA ID Number MID057002602	
9a. HM	9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any))	10. Containers No. Type		11. Total Quantity	12. Unit Wt./Vol.
1.	Other Oil	1		2176	G
2.					
3.					
4.					
13. Waste Codes 021L					
14. Special Handling Instructions and Additional Information Approval #: 8455-1 Skim Oil - Tandem Mill Pond IN CASE OF SPILL CONTACT 24 EMERGENCY NUMBER (313) 724-8600.					
15. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.					
Generator's/Offeror's Printed/Typed Name Tom Kowalewski		Signature Tom Kowalewski		Month Day Year 11/28/06	
16. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: Transporter signature (for exports only): Date leaving U.S.:					
17. Transporter Acknowledgment of Receipt of Materials Transporter 1 Printed/Typed Name DAVID W. BRYSON Signature Cynthia Bryson Month Day Year 11/28/06 Transporter 2 Printed/Typed Name Signature Month Day Year					
18. Discrepancy 18a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection Manifest Reference Number:					
18b. Alternate Facility (or Generator) U.S. EPA ID Number					
Facility's Phone:					
18c. Signature of Alternate Facility (or Generator) Month Day Year					
19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems)					
1.	2.	3.	4.		
20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in Item 18p Printed/Typed Name Signature Month Day Year					

Form Approved. OMB No. 2050-0039

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator ID Number MIQ005320254	2. Page 1 of 1	3. Emergency Response Phone (313) 724-8600	4. Manifest Tracking Number 000165499 FLE		
5. Generator's Name and Mailing Address 20300 River Road Gibraltar, MI 48174 Generator's Phone: (734) 588-7251		Generator's Site Address (if different than mailing address)					
6. Transporter 1 Company Name Midwest Transport Group LLC		313-724-8610		U.S. EPA ID Number MIK788363422			
7. Transporter 2 Company Name				U.S. EPA ID Number			
8. Designated Facility Name and Site Address RECYCLED RESOURCE RECOVERY 2700 PRINCETON AVE., P.O. BOX 380 INKSTER, MI 48141 Facility's Phone: (313) 724-8600				U.S. EPA ID Number MIQ057002602			
9a. HM	9b. U.S. DOT Description (including Proper Shipping Name, Hazard Class, ID Number, and Packing Group (if any))	10. Containers No. Type		11. Total Quantity	12. Unit Wt./Vol.	13. Waste Codes	
	1. Other Oil	1	TT	2530	G	021L	
	2.						
	3.						
	4.						
14. Special Handling Instructions and Additional Information Approval #: 3455-1 Skim Oil - Tandem Mill Pond IN CASE OF SPILL CONTACT 24 EMERGENCY NUMBER (313) 724-8600							
15. GENERATOR'S/OFFEROR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations. If export shipment and I am the Primary Exporter, I certify that the contents of this consignment conform to the terms of the attached EPA Acknowledgment of Consent. I certify that the waste minimization statement identified in 40 CFR 262.27(a) (if I am a large quantity generator) or (b) (if I am a small quantity generator) is true.							
Generator's/Offeror's Printed/Typed Name Tom Kosikowski		Signature Tom Kosikowski		Month Day Year 11/29/06			
16. International Shipments <input type="checkbox"/> Import to U.S. <input type="checkbox"/> Export from U.S. Port of entry/exit: _____ Transporter signature (for exports only): _____ Date leaving U.S.: _____							
17. Transporter Acknowledgment of Receipt of Materials Transporter 1 Printed/Typed Name DAVID W BAYSON Signature David W Bayson Month Day Year 11/29/06 Transporter 2 Printed/Typed Name _____ Signature _____ Month Day Year _____							
18. Discrepancy 18a. Discrepancy Indication Space <input type="checkbox"/> Quantity <input type="checkbox"/> Type <input type="checkbox"/> Residue <input type="checkbox"/> Partial Rejection <input type="checkbox"/> Full Rejection Manifest Reference Number: _____							
18b. Alternate Facility (or Generator) U.S. EPA ID Number _____ Facility's Phone: _____							
18c. Signature of Alternate Facility (or Generator) _____ Month Day Year _____							
19. Hazardous Waste Report Management Method Codes (i.e., codes for hazardous waste treatment, disposal, and recycling systems) 1. _____ 2. _____ 3. _____ 4. _____							
20. Designated Facility Owner or Operator: Certification of receipt of hazardous materials covered by the manifest except as noted in Item 18a Printed/Typed Name _____ Signature _____ Month Day Year _____							